

AMENDED IN SENATE FEBRUARY 11, 2014

AMENDED IN ASSEMBLY JANUARY 6, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 520

Introduced by Assembly Member Chesbro

February 20, 2013

An act to amend Section 25503.5 of, and to add Section 25503.57 to, the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

AB 520, as amended, Chesbro. Alcoholic beverages: instruction: tastings.

The Alcoholic Beverage Control Act permits a winegrower or distilled spirits manufacturer, or its authorized agent, to instruct consumers at an on-sale retail licensed premises authorized to sell its product on the subject of wine or distilled spirits, including, but not limited to, the history, nature, values, and characteristics of those beverages, as provided. Existing law authorizes the instruction to include tastings of wine or distilled spirits, subject to limitations on the amounts that may be provided to the consumers. The act provides that a violation of its provisions is a misdemeanor, unless otherwise specified.

This bill would expand the types of licensees that may provide instructional tastings events regarding wine or distilled spirits at on-sale retail licensed premises and would place additional restrictions on the instructional tastings events, including restrictions on the types of advertising that may be conducted prior to the instructional tasting event. By expanding the definition of a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 25503.5 of the Business and Professions
2 Code is amended to read:

3 25503.5. (a) A winegrower, beer manufacturer, or a beer and
4 wine wholesaler may, without charge, instruct licensees and their
5 employees, or conduct courses of instruction for licensees and
6 their employees, on the subject of wine or beer, including, but not
7 limited to, the history, nature, values, and characteristics of wine
8 or beer, the use of wine lists, and the methods of presenting and
9 serving wine or beer. The winegrower, beer manufacturer, or beer
10 and wine wholesaler may furnish wine or beer and the equipment,
11 materials, and utensils that may be required for use in connection
12 with the instruction or courses of instruction.

13 (b) A distilled spirits manufacturer, distilled spirits
14 manufacturer's agent, distilled spirits general rectifier, or distilled
15 spirits general importer may, without charge, instruct licensees
16 and their employees, or conduct courses of instruction for licensees
17 and their employees, on the subject of distilled spirits, including,
18 but not limited to, the history, nature, values, and characteristics
19 of distilled spirits, and the methods of presenting and serving
20 distilled spirits. The distilled spirits manufacturer or distilled spirits
21 manufacturer's agent may furnish distilled spirits and the
22 equipment, materials, and utensils that may be required for use in
23 connection with the instruction or courses of instruction.

24 (c) The instruction or courses of instruction, authorized in
25 subdivision (a) or (b), may be given at the premises of the
26 winegrower, beer manufacturer, beer and wine wholesaler, distilled
27 spirits manufacturer, distilled spirits manufacturer's agent, distilled
28 spirits general rectifier, distilled spirits general importer, or of a
29 licensee, including an on-sale retail licensee, or elsewhere.

SEC. 2. Section 25503.57 is added to the Business and Professions Code, to read:

25503.57. (a) (1) An authorized licensee, or its designated representative, may instruct consumers at an on-sale retail licensed premises authorized to sell its product with the permission of the retail on-sale licensee. The instruction may include, without limitation, the history, nature, values, and characteristics of the wine or distilled spirits and the methods of presenting and serving the wine or distilled spirits.

(2) The instruction of consumers may include the furnishing of not more than three tastings to any individual in one day. A single tasting of distilled spirits may not exceed one-fourth of one ounce and a single tasting of wine may not exceed one ounce.

(3) The authorized licensee, or its designated representative, shall either supply the wine or distilled spirits to be tasted during the instructional tasting event or purchase the wine or distilled spirits from the retail on-sale licensee at the original invoiced cost.

(4) The authorized licensee, or its designated representative, shall remove any unfinished alcoholic beverages that were ~~provided~~ *supplied* by the authorized licensee, or its designated representative, following the instruction.

(5) Nothing in this subdivision shall limit the giving away of samples pursuant to subdivision (a) of Section 23386.

(b) For purposes of this section, “authorized licensee” means a winegrower, California winegrower’s agent, beer and wine importer general, beer and wine wholesaler, wine rectifier, distilled spirits manufacturer, distilled spirits manufacturer’s agent, distilled spirits importer general, distilled spirits rectifier, distilled spirits general rectifier, rectifier, out-of-state distilled spirits shipper’s certificate holder, distilled spirits wholesaler, brandy manufacturer, brandy importer, or California brandy wholesaler. “Authorized licensee” shall not include ~~an entity~~ *any person* that solely holds a combination of a beer and wine wholesaler license and an off-sale beer and wine retail license or holds those licenses solely in combination with any license not listed in this paragraph, *or in combination with a beer and wine importer general license*, or holds a limited off-sale retail wine ~~license~~ *license*.

(c) Except as otherwise provided in this division or by the rules of the department, no premium, gift, free goods, or other thing of value shall be given away by an authorized licensee or its

1 designated representative in connection with an instructional tasting
2 event conducted pursuant to this section that includes tastings of
3 wine or distilled spirits.

4 (d) (1) In addition to any point-of-sale advertising or other
5 advertising items allowed under this division or under rules of the
6 department, an authorized licensee or its designated representative,
7 in his or her absolute discretion and with permission of the retail
8 on-sale licensee upon whose premises the instructional tasting
9 event will be held, may list in an advertisement to the general
10 public the name and address of the on-sale retail licensee, the
11 names of the wines or distilled spirits being featured at the
12 instructional tasting event, and the time, date, and location of, and
13 other information about, the instructional tasting event, provided
14 that both of the following apply:

15 (A) The advertisement does not contain the retail price of the
16 alcoholic beverages.

17 (B) The listing of the on-sale retail licensee's name and address
18 is the only reference to the on-sale retail licensee in the
19 advertisement.

20 (2) Pictures or illustrations of the on-sale retail licensee's
21 licensed premises and laudatory references to the on-sale retail
22 licensee in these advertisements are not authorized. Nothing in
23 this section shall authorize an authorized licensee or its designated
24 representative to share in the costs, if any, of the on-sale retail
25 licensee.

26 (e) An on-sale retail licensee may advertise an instructional
27 tasting event to the general public. The costs of this advertising
28 shall be borne solely by the on-sale retail licensee. Advertising
29 permitted by this subdivision includes flyers, newspaper ads,
30 Internet communications, and interior signage.

31 *(f) No more than one authorized licensee or its designated*
32 *representative shall conduct an instructional tasting pursuant to*
33 *this section at the on-sale retail licensed premises of an on-sale*
34 *retail licensee at any time, and a person shall not act as the*
35 *designated representative for more than one authorized licensee*
36 *at that instructional tasting.*

37 SEC. 3. No reimbursement is required by this act pursuant to
38 Section 6 of Article XIII B of the California Constitution because
39 the only costs that may be incurred by a local agency or school
40 district will be incurred because this act creates a new crime or

1 infraction, eliminates a crime or infraction, or changes the penalty
2 for a crime or infraction, within the meaning of Section 17556 of
3 the Government Code, or changes the definition of a crime within
4 the meaning of Section 6 of Article XIII B of the California
5 Constitution.

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